

# EXHIBIT T

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
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DECLARATION OF KEITH R. FRANCIS IN SUPPORT OF DEBTORS' OBJECTION TO  
PROOF OF CLAIM NO. 1279 (NU-TECH PLASTICS ENGINEERING, INC.)

I, Keith R. Francis, declare as follows:

1. I am a Senior Director at BBK, Ltd. ("BBK"), an international business advisory firm. I make this declaration in support of the objection by Delphi Corporation ("Delphi") to proof of claim number 1279 filed by Nu-Tech Plastics Engineering, Inc. ("Nu-Tech"), and in particular to respond to the damages report by Nu-Tech's damages witness, Gary Leeman, dated July 19, 2007 (the "Nu-Tech Report"). Except as otherwise indicated, I have personal knowledge of or am otherwise competent to testify as to the matters set forth in this declaration.

A. Background And Qualifications

2. I am a Certified Public Accountant licensed in Michigan, a Certified Turnaround Professional, and a Certified Insolvency and Restructuring Advisor. I have more than 30 years of financial and operations expertise, with experience as a self-employed turnaround consultant, a Chief Operating Officer, a Chief Financial Officer, and a partner in a major public accounting and consulting firm. I began my career at Plante & Moran LLP, a certified public accounting and business advisory firm, and worked there for 24 years, progressing from staff accountant to audit partner, where I worked directly with owners of automotive manufacturing companies. Since joining BBK, I have managed many engagements from distressed suppliers to automotive original equipment manufacturers ("OEMs").

3. BBK provides advisory services regarding finance, strategy, and operations to clients in a variety of industries, including clients in the OEM, supplier, and aftermarket segments of the automotive industry. BBK's advisory services encompass areas such as corporate restructuring, corporate finance, litigation support, risk and credit management, due

diligence, advanced planning and development, operations assessment, performance improvement, and operations intervention.

4. In the fall of 1999, Delphi and General Motors Corporation ("GM") asked BBK to provide financial and operational services regarding Nu-Tech as part of their troubled-supplier program. As part of this engagement, I, with the assistance of others at BBK, reviewed Nu-Tech's business records, monitored Nu-Tech's operations, investigated and analyzed the financial and operational aspects of Nu-Tech's business, assessed Nu-Tech's financial and operational viability, and spent a considerable amount of time at Nu-Tech's headquarters in Grand Blanc, Michigan. At that time, the majority owner of Nu-Tech was John Mailey, and the minority owner was John Cooper. BBK's engagement ended in December 1999 or January 2000, at about the same time as Nu-Tech agreed to sell its assets to another company, Rapid Product Technologies, L.L.C.

5. In August 2007, I was engaged by Delphi's counsel to review, analyze, and respond to the Nu-Tech Report, which asserts that Nu-Tech has suffered aggregate damages of \$13,957,130, comprising lost income of \$7,638,671 over a two-year period beginning on January 1, 1999, and ending December 31, 2000, lost business value of \$4,981,901, and excess costs of \$1,336,558 in calendar year 1999 related to payments under building and equipment leases and wage-related payments. My engagement did not include analyzing or interpreting Nu-Tech's agreements or otherwise addressing the merits of Nu-Tech's claims.

B. Summary Of Conclusions

6. My principal conclusions are as follows:

- Lost Income. The Nu-Tech Report's calculation of lost income is overstated because (i) it is based on an incorrect assumption regarding the number of parts produced by Delphi Automotive Systems LLC ("DAS"), (ii) it takes into account the financial performance of non-core aspects of

Nu-Tech's business that should not be included in a lost-income analysis, and (iii) it ignores income taxes. By correcting these three problems, the lost-income calculation for the entire two-year period used by Nu-Tech decreases to about \$1.1 million. Furthermore, with respect to the period from May 3, 1999, through January 14, 2000 (which I have been instructed is the relevant time period), Nu-Tech's lost income was approximately \$531,000.

- Lost Business Value. The Nu-Tech Report's calculation of lost business value is based on the lost-income calculation (after taxes), and it therefore incorporates two of the three same problems identified above. In addition, Nu-Tech Report improperly (i) uses after-tax income, rather than free cash flow, as the basis for the calculation, and (ii) applies a capitalization rate, which assumes that Nu-Tech's agreement would have continued in perpetuity, rather than a discount rate, an approach consistent with the fact that Nu-Tech's agreement expired at the end of 2000. When these deficiencies are corrected, Nu-Tech's lost business value is approximately \$1.0 million based on its free cash flow for all of calendar year 1999, without any subtractions of lost income or the sale price Nu-Tech obtained from Rapid. If the period is limited to May 3, 1999, through December 31, 1999, the estimated lost business value decreases accordingly.
- Excess Costs. With respect to excess costs, the Nu-Tech Report accurately sets forth the lease payments made by Nu-Tech under certain building and equipment leases (I did not analyze the wage-related payments). However, as part of its assistance to Nu-Tech under Delphi's troubled-supplier program in 1999 and 2000, BBK determined that those leases, all of which were issued by Mr. Cooper or entities owned or controlled by him, called for rents that were significantly above market rates. At market rates, the payments would have been in the range of \$192,000 to \$240,000 (limited to building leases).

C. Lost Income

7. According to the Nu-Tech Report, Nu-Tech lost income of \$7,638,671 from January 1, 1999, through December 31, 2000, as a result of DAS's failure to purchase part number 25160694 (the "Part") from Nu-Tech during that period. This calculation is flawed in three respects. First, it assumes that DAS's requirements for the Part during that period totaled 6,161,053 units. I was provided with payable records generated by GM showing that the requirements were substantially less. Those reports, which I have been instructed are attached to a separate declaration submitted by a GM witness, reflect that DAS's requirements for the two-

year period totaled 4,076,148 units. I was also directed to calculate the number of units purchased by GM for three discrete periods within this two-year range. The results of that calculation are as follows:

- January 1, 1999, through May 2, 1999: 1,087,324 units;
- May 3, 1999, through January 14, 2000: 1,614,555 units; and
- January 15, 2000, through December 31, 2000: 1,374,269 units.

8. Second, the Nu-Tech Report's calculation improperly incorporates sales and costs associated with Nu-Tech's "Division 2" as well as sales and costs associated with "Tooling." During the time I spent at Nu-Tech in 1999 and 2000, I learned that Division 2 is essentially an accounting pass through entity that does not conduct any operations related to Nu-Tech's business, and that the Tooling business's revenues were approximately equal to its costs. For these reasons, I have excluded the financial data related to Division 2 and Tooling from my lost-income analysis.

9. The third flaw in the Nu-Tech Report's calculation of lost income relates to taxes. Although the Nu-Tech Report subtracts taxes for purposes of calculating lost business value, it does not do so with respect to the lost-income calculation. When, as here, an income statement shows positive income, a calculation of lost income should account for taxes paid on that income. My lost-income calculation corrects this error using a tax rate of 34%, the same tax rate used in the Nu-Tech Report's calculation of lost business value.

10. To determine Nu-Tech's lost income, I corrected the three deficiencies outlined above, but otherwise adopted the same assumptions described in the Nu-Tech Report. I performed four separate calculations. The first covers the entire period from January 1, 1999, through December 31, 2000, and is set forth on Exhibit I to this declaration. The second, third,

and fourth cover January 1, 1999, through May 2, 1999, May 3, 1999, through January 14, 2000, and January 15, 2000, through December 31, 2000, respectively, and are set forth on Exhibit II.

The final page of Exhibit II is a summary of the four calculations, and includes a line item subtracting taxes at a rate of 34%.

11. The results of the four calculations are outlined below:

<u>Period</u>	<u>Lost Income</u>	<u>Nu-Tech Report</u>	<u>Difference</u>
01-01-99 to 05-02-99	\$496,841	-	-
05-03-99 to 01-14-00	\$531,092	-	-
01-15-00 to 12-31-00	\$107,810	-	-
Total	\$1,135,743	\$7,638,671	(\$6,502,928)

D. Lost Business Value

12. The Nu-Tech Report calculates lost business value by applying a capitalization rate of 3.91 to the Nu-Tech Report's calculation of lost after-tax income for 1999, and then subtracting lost pre-tax income for that year and the price Nu-Tech obtained from Rapid for the sale of its assets in January 2000. The result of this calculation is an estimated lost business value of \$4,981,901.

13. Because this calculation is based on the Nu-Tech Report's lost-income calculation (after taxes), it includes two of the three of the flaws discussed in Part C above. In addition, in determining business value, it is common to use the business's free cash flow as the baseline for the valuation because free cash flow is a more reliable measure of value than net income. The Nu-Tech Report uses net income, rather than free cash flow, as the foundation for its calculation.

14. Furthermore, by multiplying income by a capitalization rate, the Nu-Tech Report assumes that Nu-Tech's agreement to sell the Part would continue in perpetuity. However, I have been instructed that the agreement was set to expire on December 31, 2000 –

i.e., approximately one year from the date Nu-Tech sold its assets to Rapid. Because the agreement was for a fixed duration, it is more appropriate to apply a discount rate and determine the net present value of the free cash flow to be obtained under the agreement through the end of 2000, rather than a multiplier that assumes an agreement of indefinite duration.

15. For purposes of my estimation of lost business value, I calculated Nu-Tech's lost free cash flow for all of calendar year 1999 using the same assumptions described in Part C above, and then applied a discount rate of 25.6%, which is the discount rate implied by a capitalization rate of 3.91 ( $1/3.91$  is 25.6%). This calculation, which is set forth on Exhibit III to this declaration, shows an estimate of \$1,000,957. This does not take into account any subtraction of lost income or the sale price Nu-Tech received from Rapid. Furthermore, if the calculation is limited to Nu-Tech's free cash flow from May 3, 1999, through December 31, 1999, rather than all of calendar year 1999, the estimated lost business value decreases accordingly.

C. Excess Costs

16. The final element of the Nu-Tech Report damages calculation is termed excess costs. These costs comprise payments made by Nu-Tech under building and equipment leases and other wage-related payments in 1999. All of the leases at issue were between Nu-Tech and either Mr. Cooper himself or entities owned or controlled by Mr. Cooper, and it is my conclusion that Mr. Cooper charged Nu-Tech rents that were well above market rates.

17. When Nu-Tech was in Delphi's troubled-supplier program in 1999 and 2000, BBK conducted an analysis of several of Nu-Tech's leases, including the two building leases and three equipment leases cited in the Nu-Tech Report, and compared the economic terms of those leases to market rates for comparable property. The results of the analysis – which are set forth in Exhibit IV to this declaration, which addresses real property leases, and



Exhibit V, which deals with personal property leases – demonstrated that the economic terms of the leases were significantly above market.

18. With respect to the building leases, for example, BBK estimated that Nu-Tech paid approximately \$11.99 per square foot under the lease for 4068 Baldwin Road, Building B, and approximately \$10.00 per square foot under the lease for G-6437 Lennon Road (these leases are the last two entries on Exhibit IV). By contrast, BBK's market research showed that the market rate at that time was in the range of \$4 to \$5 per square foot. Thus, whereas Nu-Tech made aggregate lease payments of \$501,920 (\$119,920 for 4068 Baldwin Road, Building B, and \$382,000 for G-6437 Lennon Road) for those two buildings in 1999, at market rates the aggregate payments would have been somewhere between \$192,000 and \$240,000.

19. As for personal property leases, as shown on Exhibit V, BBK analyzed several of Nu-Tech's leases (including leases not addressed in the Nu-Tech Report), and determined that they carried an average interest rate of 16.56%. The market interest rate for comparable leases at that time was only 10% to 12%.

I declare under penalty of perjury that the foregoing is true and correct. Executed  
on September 10, 2007

  
KEITH R. FRANCIS

# EXHIBIT I

**Exhibit I**

	Variable/ Fixed	Basis	Variable	Fixed (2 years)	Total	Historical - 1998 Amount	Ratio
<b>Sales</b>							
Tooling					-	-	0.00%
Division 2 Purchasing					-	-	0.00%
Miscellaneous					-	1,229	0.02%
Delphi			7,581,635		7,581,635	4,839,410	74.43%
Chrysler					-	47,171	0.73%
Johnson Controls					-	334,314	5.14%
GT Products					-	649,625	9.99%
Briskin Manufacturing					-	16,066	0.25%
GM SPO					-	368,201	5.66%
Powertrain					-	123,935	1.91%
Oxford Suspension					-	15,277	0.23%
Reacom					-	106,321	1.64%
<b>Total Sales</b>			<u>7,581,635</u>	<u>-</u>	<u>7,581,635</u>	<u>6,501,549</u>	<u>100.00%</u>
<b>Cost of Goods Sold</b>							
Tooling	V				-	-	0.00%
Division 2 Purchasing	V				-	-	0.00%
Research & Development	V	0.02% of Sales	1,516		1,516	1,000	0.02%
Delphi	V				-	2,249,565	34.60%
Chrysler	V				-	35,997	0.55%
Johnson Controls	V				-	275,360	4.24%
GT Products	V				-	395,616	6.08%
Briskin Manufacturing	V				-	9,431	0.15%
GM SPO	V				-	156,821	2.41%
Powertrain	V				-	59,852	0.92%
Oxford Suspension	V				-	9,408	0.14%
Reacom	V				-	66,444	1.02%
Freight & Delivery	V	0.67% of Sales	50,797		50,797	43,526	0.67%
Engineering	V		-		-	264	0.00%
Equipment Maintenance	V	1.17% of Sales	88,705		88,705	75,976	1.17%
Supplies - Shop	V	1.43% of Sales	108,417		108,417	92,974	1.43%
Supplies - Quality Control	V	0.21% of Sales	15,921		15,921	13,603	0.21%
Inventory Overhead Adjustment	V				-	(2,201,564)	-33.86%
<b>Total Cost of Goods Sold</b>			<u>265,356</u>	<u>-</u>	<u>265,356</u>	<u>1,284,273</u>	<u>19.75%</u>
<b>Gross Profit</b>			<b>7,316,279</b>	<b>-</b>	<b>7,316,279</b>	<b>5,217,276</b>	<b>80.25%</b>
<b>Operating Payroll &amp; Expenses</b>							
Salaries & Wages - Other	V	18.22% of Sales	1,381,374		1,381,374	1,184,530	18.22%
Salaries & Wages - Officer & Admin.	F		-	644,000	644,000	322,000	4.95%
Contract Labor	V	1.13% of Sales	85,672		85,672	73,643	1.13%
Payroll Taxes	V	8.65% of PR	119,489	55,706	175,195	130,307	2.00%
Payroll Expenses - Other	V	0.00% of Sales	-		-	57	0.00%
Health Insurance	V	8.48% of PR	117,141	54,611	171,752	127,681	1.96%
<b>Total Payroll &amp; Expenses</b>			<u>1,703,676</u>	<u>754,317</u>	<u>2,457,993</u>	<u>1,838,218</u>	<u>28.26%</u>
<b>Profit After Payroll &amp; Expenses</b>			<b>5,612,603</b>	<b>(754,317)</b>	<b>4,858,286</b>	<b>3,379,058</b>	<b>51.99%</b>
<b>Other Controllable Expenses</b>							
Advertising	V	0.00% of Sales			-	143	0.00%
Bank Service Charges	F			17,576	17,576	8,788	0.14%
Blueprints	V	0.04% of Sales	3,033		3,033	2,585	0.04%
Contributions	F			4,812	4,812	2,406	0.04%
Dues & Subscriptions	F			5,512	5,512	2,756	0.04%
Shop Maintenance	F			400	400	200	0.00%
Office Maintenance	F			6,742	6,742	3,371	0.05%
Machinery Movers & Riggers	V	2.14% of Sales	162,247		162,247	139,059	2.14%
Building Maintenance	F			58,308	58,308	29,154	0.45%

**Exhibit I**

	<b>Variable/ Fixed</b>		<b>Basis</b>	<b>Variable</b>	<b>Fixed (2 years)</b>	<b>Total</b>	<b>Historical - 1998</b>	
							<b>Amount</b>	<b>Ratio</b>
Fees & Permits	V		0.01% of Sales	758		758	500	0.01%
Miscellaneous	V		0.19% of Sales	14,405		14,405	12,281	0.19%
Postage & Delivery	V		0.06% of Sales	4,549		4,549	3,625	0.06%
Supplies	V		1.06% of Sales	80,365		80,365	68,873	1.06%
Telephone	V		0.42% of Sales	31,843		31,843	27,120	0.42%
Pager Service	V		0.06% of Sales	4,549		4,549	3,948	0.06%
Meals & Entertainment	V		0.45% of Sales	34,117		34,117	29,333	0.45%
Travel	V		0.46% of Sales	34,876		34,876	30,014	0.46%
Uniforms	V		0.11% of Sales	8,340		8,340	7,036	0.11%
Gas & Electric	V		3.05% of Sales	231,240		231,240	198,150	3.05%
Water	V		0.01% of Sales	758		758	389	0.01%
Vehicle Expense	F				87,718	87,718	43,859	0.67%
Total Controllable Expenses				611,080	181,068	792,148	613,590	9.45%
<b>Profit After Controllable Expenses</b>				<b>5,001,523</b>	<b>(935,385)</b>	<b>4,066,138</b>	<b>2,765,468</b>	<b>42.54%</b>
Other Non-Controllable Expenses								
Depreciation - Office Equipment	F				28,722	28,722	14,361	0.22%
Depreciation - Leasehold Improvements	F				41,968	41,968	20,984	0.32%
Depreciation - Plant Equipment	F				281,008	281,008	140,504	2.16%
Depreciation - Vehicles	F				18,166	18,166	9,083	0.14%
Amortization Expense	F				9,206	9,206	4,603	0.07%
Interest Expense	V		3.20% of Sales	242,612		242,612	207,913	3.20%
General Insurance	F				30,392	30,392	15,196	0.23%
Workers' Compensation Insurance	V		1.26% of PR	17,405	8,114	25,519	19,030	0.29%
Umbrella Insurance	F				2,346	2,346	1,173	0.02%
Accounting	F				5,350	5,350	2,675	0.04%
Consulting	V		0.40% of Sales	30,328		30,328	25,894	0.40%
Legal Fees	F				32,134	32,134	16,067	0.25%
Taxes - Local	F				17,422	17,422	8,711	0.13%
Taxes - Property Taxes	F				182,306	182,306	91,153	1.40%
Single Business Tax	V		0.23% of Sales	17,438		17,438	14,832	0.23%
Uncollectible Accounts	V		0.43% of Sales	32,601		32,601	28,152	0.43%
Waste Collection	V		0.07% of Sales	5,307		5,307	4,245	0.07%
Total Non-/Controllable Expenses				345,691	657,135	1,002,826	624,576	9.60%
<b>Profit Before Equipment &amp; Building Rent</b>				<b>4,655,832</b>	<b>(1,592,520)</b>	<b>3,063,312</b>	<b>2,140,892</b>	<b>32.94%</b>
Additional Rental Expenses Specific to Delphi Part 60694								
Equipment Rental	F				745,857	745,857	979,151	15.06%
Building Rent	F				1,003,840	1,003,840	656,455	10.10%
Total Additional Rental Expense Specific to Delphi Part 60694				-	1,749,697	1,749,697	1,635,606	25.16%
<b>Profit Before Other Income</b>				<b>4,655,832</b>	<b>(3,342,217)</b>	<b>1,313,615</b>	<b>505,286</b>	<b>7.78%</b>
Other Income								
Interest Income				-	-	-	25,727	0.40%
Other Income				-	-	-	11,909	0.18%
Total Other Income				-	-	-	37,636	0.58%
<b>Net Income/(Loss)</b>				<b>4,655,832</b>	<b>(3,342,217)</b>	<b>1,313,615</b>	<b>542,922</b>	<b>8.36%</b>
Less: Delphi Attributed Fixed Expenses								
Total Delphi Attributed Fixed Expenses				1,749,697				
74.43% Fixed Expenses before Equipment & Building Rent				1,185,312				
Total Delphi Attributed Fixed Expenses				2,935,009				
<b>Loss of Income</b>				<b>1,720,823</b>				

# EXHIBIT II

**Exhibit II-A**

	Variable/ Fixed	Basis	Variable	Fixed (2 years)	Total	Historical - 1998 Amount	Ratio
<b>Sales</b>							
Tooling					-	-	0.00%
Division 2 Purchasing					-	-	0.00%
Miscellaneous					-	1,229	0.02%
Delphi			2,022,423		2,022,423	4,839,410	74.43%
Chrysler					-	47,171	0.73%
Johnson Controls					-	334,314	5.14%
GT Products					-	649,625	9.99%
Briskin Manufacturing					-	16,066	0.25%
GM SPO					-	368,201	5.66%
Powertrain					-	123,935	1.91%
Oxford Suspension					-	15,277	0.23%
Reacom					-	106,321	1.64%
Total Sales			2,022,423	-	2,022,423	6,501,549	100.00%
<b>Cost of Goods Sold</b>							
Tooling	V				-	-	0.00%
Division 2 Purchasing	V				-	-	0.00%
Research & Development	V	0.02% of Sales	404		404	1,000	0.02%
Delphi	V				-	2,249,565	34.60%
Chrysler	V				-	35,997	0.55%
Johnson Controls	V				-	275,360	4.24%
GT Products	V				-	395,616	6.08%
Briskin Manufacturing	V				-	9,431	0.15%
GM SPO	V				-	156,821	2.41%
Powertrain	V				-	59,852	0.92%
Oxford Suspension	V				-	9,408	0.14%
Reacom	V				-	66,444	1.02%
Freight & Delivery	V	0.67% of Sales	13,550		13,550	43,526	0.67%
Engineering	V		-		-	264	0.00%
Equipment Maintenance	V	1.17% of Sales	23,662		23,662	75,976	1.17%
Supplies - Shop	V	1.43% of Sales	28,921		28,921	92,974	1.43%
Supplies - Quality Control	V	0.21% of Sales	4,247		4,247	13,603	0.21%
Inventory Overhead Adjustment	V				-	(2,201,564)	-33.86%
Total Cost of Goods Sold			70,784	-	70,784	1,284,273	19.75%
<b>Gross Profit</b>			<b>1,951,639</b>	<b>-</b>	<b>1,951,639</b>	<b>5,217,276</b>	<b>80.25%</b>
<b>Operating Payroll &amp; Expenses</b>							
Salaries & Wages - Other	V	18.22% of Sales	368,485		368,485	1,184,530	18.22%
Salaries & Wages - Officer & Admin.	F		-	644,000	644,000	322,000	4.95%
Contract Labor	V	1.13% of Sales	22,853		22,853	73,643	1.13%
Payroll Taxes	V	8.65% of PR	31,874	55,706	87,580	130,307	2.00%
Payroll Expenses - Other	V	0.00% of Sales	-		-	57	0.00%
Health Insurance	V	8.48% of PR	31,247	54,611	85,858	127,681	1.96%
Total Payroll & Expenses			454,458	754,317	1,208,775	1,838,218	28.26%
<b>Profit After Payroll &amp; Expenses</b>			<b>1,497,181</b>	<b>(754,317)</b>	<b>742,864</b>	<b>3,379,058</b>	<b>51.99%</b>
<b>Other Controllable Expenses</b>							
Advertising	V	0.00% of Sales			-	143	0.00%
Bank Service Charges	F			17,576	17,576	8,788	0.14%
Blueprints	V	0.04% of Sales	809		809	2,585	0.04%
Contributions	F			4,812	4,812	2,406	0.04%
Dues & Subscriptions	F			5,512	5,512	2,756	0.04%
Shop Maintenance	F			400	400	200	0.00%
Office Maintenance	F			6,742	6,742	3,371	0.05%
Machinery Movers & Riggers	V	2.14% of Sales	43,280		43,280	139,059	2.14%
Building Maintenance	F			58,308	58,308	29,154	0.45%

**Exhibit II-A**

	<b>Variable/ Fixed Basis</b>		<b>Variable</b>	<b>Fixed (2 years)</b>	<b>Total</b>	<b>Historical - 1998 Amount Ratio</b>	
Fees & Permits	V	0.01% of Sales	202		202	500	0.01%
Miscellaneous	V	0.19% of Sales	3,843		3,843	12,281	0.19%
Postage & Delivery	V	0.06% of Sales	1,213		1,213	3,625	0.06%
Supplies	V	1.06% of Sales	21,438		21,438	68,873	1.06%
Telephone	V	0.42% of Sales	8,494		8,494	27,120	0.42%
Pager Service	V	0.06% of Sales	1,213		1,213	3,948	0.06%
Meals & Entertainment	V	0.45% of Sales	9,101		9,101	29,333	0.45%
Travel	V	0.46% of Sales	9,303		9,303	30,014	0.46%
Uniforms	V	0.11% of Sales	2,225		2,225	7,036	0.11%
Gas & Electric	V	3.05% of Sales	61,684		61,684	198,150	3.05%
Water	V	0.01% of Sales	202		202	389	0.01%
Vehicle Expense	F			87,718	87,718	43,859	0.67%
Total Controllable Expenses			163,007	181,068	344,075	613,590	9.45%
<b>Profit After Controllable Expenses</b>			<b>1,334,174</b>	<b>(935,385)</b>	<b>398,789</b>	<b>2,765,468</b>	<b>42.54%</b>
Other Non-Controllable Expenses							
Depreciation - Office Equipment	F			28,722	28,722	14,361	0.22%
Depreciation - Leasehold Improvements	F			41,968	41,968	20,984	0.32%
Depreciation - Plant Equipment	F			281,008	281,008	140,504	2.16%
Depreciation - Vehicles	F			18,166	18,166	9,083	0.14%
Amortization Expense	F			9,206	9,206	4,603	0.07%
Interest Expense	V	3.20% of Sales	64,718		64,718	207,913	3.20%
General Insurance	F			30,392	30,392	15,196	0.23%
Workers' Compensation Insurance	V	1.26% of PR	4,643	8,114	12,757	19,030	0.29%
Umbrella Insurance	F			2,346	2,346	1,173	0.02%
Accounting	F			5,350	5,350	2,675	0.04%
Consulting	V	0.40% of Sales	8,091		8,091	25,894	0.40%
Legal Fees	F			32,134	32,134	16,067	0.25%
Taxes - Local	F			17,422	17,422	8,711	0.13%
Taxes - Property Taxes	F			182,306	182,306	91,153	1.40%
Single Business Tax	V	0.23% of Sales	4,652		4,652	14,832	0.23%
Uncollectible Accounts	V	0.43% of Sales	8,696		8,696	28,152	0.43%
Waste Collection	V	0.07% of Sales	1,416		1,416	4,245	0.07%
Total Non-/Controllable Expenses			92,216	657,135	749,351	624,576	9.60%
<b>Profit Before Equipment &amp; Building Rent</b>			<b>1,241,958</b>	<b>(1,592,520)</b>	<b>(350,562)</b>	<b>2,140,892</b>	<b>32.94%</b>
Additional Rental Expenses Specific to Delphi Part 60694							
Equipment Rental	F			745,857	745,857	979,151	15.06%
Building Rent	F			1,003,840	1,003,840	656,455	10.10%
Total Additional Rental Expense Specific to Delphi Part 60694			-	1,749,697	1,749,697	1,635,606	25.16%
<b>Profit Before Other Income</b>			<b>1,241,958</b>	<b>(3,342,217)</b>	<b>(2,100,259)</b>	<b>505,286</b>	<b>7.78%</b>
Other Income							
Interest Income			-	-	-	25,727	0.40%
Other Income			-	-	-	11,909	0.18%
Total Other Income			-	-	-	37,636	0.58%
<b>Net Income/(Loss)</b>			<b>1,241,958</b>	<b>(3,342,217)</b>	<b>(2,100,259)</b>	<b>542,922</b>	<b>8.36%</b>
Less: Delphi Attributed Fixed Expenses							
Total Delphi Attributed Fixed Expenses for 1/1/99 - 5/2/99			291,617				
74.43% Fixed Expenses before Equipment & Building Rent for 1/1/99 - 5/2/99			197,553				
Total Delphi Attributed Fixed Expenses			489,169				
<b>Loss of Income</b>				<b>752,789</b>			

**Exhibit II-B**

	Variable/ Fixed	Basis	Variable	Fixed (2 years)	Total	Historical - 1998 Amount	Ratio
<b>Sales</b>							
Tooling					-	-	0.00%
Division 2 Purchasing					-	-	0.00%
Miscellaneous					-	1,229	0.02%
Delphi			3,003,072		3,003,072	4,839,410	74.43%
Chrysler					-	47,171	0.73%
Johnson Controls					-	334,314	5.14%
GT Products					-	649,625	9.99%
Briskin Manufacturing					-	16,066	0.25%
GM SPO					-	368,201	5.66%
Powertrain					-	123,935	1.91%
Oxford Suspension					-	15,277	0.23%
Reacom					-	106,321	1.64%
<b>Total Sales</b>			<u>3,003,072</u>	<u>-</u>	<u>3,003,072</u>	<u>6,501,549</u>	<u>100.00%</u>
<b>Cost of Goods Sold</b>							
Tooling	V				-	-	0.00%
Division 2 Purchasing	V				-	-	0.00%
Research & Development	V	0.02% of Sales	601		601	1,000	0.02%
Delphi	V				-	2,249,565	34.60%
Chrysler	V				-	35,997	0.55%
Johnson Controls	V				-	275,360	4.24%
GT Products	V				-	395,616	6.08%
Briskin Manufacturing	V				-	9,431	0.15%
GM SPO	V				-	156,821	2.41%
Powertrain	V				-	59,852	0.92%
Oxford Suspension	V				-	9,408	0.14%
Reacom	V				-	66,444	1.02%
Freight & Delivery	V	0.67% of Sales	20,121		20,121	43,526	0.67%
Engineering	V		-		-	264	0.00%
Equipment Maintenance	V	1.17% of Sales	35,136		35,136	75,976	1.17%
Supplies - Shop	V	1.43% of Sales	42,944		42,944	92,974	1.43%
Supplies - Quality Control	V	0.21% of Sales	6,306		6,306	13,603	0.21%
Inventory Overhead Adjustment	V				-	(2,201,564)	-33.86%
<b>Total Cost of Goods Sold</b>			<u>105,108</u>	<u>-</u>	<u>105,108</u>	<u>1,284,273</u>	<u>19.75%</u>
<b>Gross Profit</b>			<b>2,897,964</b>	<b>-</b>	<b>2,897,964</b>	<b>5,217,276</b>	<b>80.25%</b>
<b>Operating Payroll &amp; Expenses</b>							
Salaries & Wages - Other	V	18.22% of Sales	547,160		547,160	1,184,530	18.22%
Salaries & Wages - Officer & Admin.	F		-	644,000	644,000	322,000	4.95%
Contract Labor	V	1.13% of Sales	33,935		33,935	73,643	1.13%
Payroll Taxes	V	8.65% of PR	47,329	55,706	103,035	130,307	2.00%
Payroll Expenses - Other	V	0.00% of Sales	-		-	57	0.00%
Health Insurance	V	8.48% of PR	46,399	54,611	101,010	127,681	1.96%
<b>Total Payroll &amp; Expenses</b>			<u>674,822</u>	<u>754,317</u>	<u>1,429,139</u>	<u>1,838,218</u>	<u>28.26%</u>
<b>Profit After Payroll &amp; Expenses</b>			<b>2,223,142</b>	<b>(754,317)</b>	<b>1,468,825</b>	<b>3,379,058</b>	<b>51.99%</b>
<b>Other Controllable Expenses</b>							
Advertising	V	0.00% of Sales			-	143	0.00%
Bank Service Charges	F			17,576	17,576	8,788	0.14%
Blueprints	V	0.04% of Sales	1,201		1,201	2,585	0.04%
Contributions	F			4,812	4,812	2,406	0.04%
Dues & Subscriptions	F			5,512	5,512	2,756	0.04%
Shop Maintenance	F			400	400	200	0.00%
Office Maintenance	F			6,742	6,742	3,371	0.05%
Machinery Movers & Riggers	V	2.14% of Sales	64,266		64,266	139,059	2.14%
Building Maintenance	F			58,308	58,308	29,154	0.45%



**Exhibit II-B**

	Variable/ Fixed	Basis	Variable	Fixed (2 years)	Total	Historical - 1998	
						Amount	Ratio
Fees & Permits	V	0.01% of Sales	300		300	500	0.01%
Miscellaneous	V	0.19% of Sales	5,706		5,706	12,281	0.19%
Postage & Delivery	V	0.06% of Sales	1,802		1,802	3,625	0.06%
Supplies	V	1.06% of Sales	31,833		31,833	68,873	1.06%
Telephone	V	0.42% of Sales	12,613		12,613	27,120	0.42%
Pager Service	V	0.06% of Sales	1,802		1,802	3,948	0.06%
Meals & Entertainment	V	0.45% of Sales	13,514		13,514	29,333	0.45%
Travel	V	0.46% of Sales	13,814		13,814	30,014	0.46%
Uniforms	V	0.11% of Sales	3,303		3,303	7,036	0.11%
Gas & Electric	V	3.05% of Sales	91,594		91,594	198,150	3.05%
Water	V	0.01% of Sales	300		300	389	0.01%
Vehicle Expense	F			87,718	87,718	43,859	0.67%
Total Controllable Expenses			242,048	181,068	423,116	613,590	9.45%
<b>Profit After Controllable Expenses</b>			<b>1,981,094</b>	<b>(935,385)</b>	<b>1,045,709</b>	<b>2,765,468</b>	<b>42.54%</b>
Other Non-Controllable Expenses							
Depreciation - Office Equipment	F			28,722	28,722	14,361	0.22%
Depreciation - Leasehold Improvements	F			41,968	41,968	20,984	0.32%
Depreciation - Plant Equipment	F			281,008	281,008	140,504	2.16%
Depreciation - Vehicles	F			18,166	18,166	9,083	0.14%
Amortization Expense	F			9,206	9,206	4,603	0.07%
Interest Expense	V	3.20% of Sales	96,098		96,098	207,913	3.20%
General Insurance	F			30,392	30,392	15,196	0.23%
Workers' Compensation Insurance	V	1.26% of PR	6,894	8,114	15,008	19,030	0.29%
Umbrella Insurance	F			2,346	2,346	1,173	0.02%
Accounting	F			5,350	5,350	2,675	0.04%
Consulting	V	0.40% of Sales	12,013		12,013	25,894	0.40%
Legal Fees	F			32,134	32,134	16,067	0.25%
Taxes - Local	F			17,422	17,422	8,711	0.13%
Taxes - Property Taxes	F			182,306	182,306	91,153	1.40%
Single Business Tax	V	0.23% of Sales	6,907		6,907	14,832	0.23%
Uncollectible Accounts	V	0.43% of Sales	12,913		12,913	28,152	0.43%
Waste Collection	V	0.07% of Sales	2,102		2,102	4,245	0.07%
Total Non-/Controllable Expenses			136,927	657,135	794,062	624,576	9.60%
<b>Profit Before Equipment &amp; Building Rent</b>			<b>1,844,167</b>	<b>(1,592,520)</b>	<b>251,647</b>	<b>2,140,892</b>	<b>32.94%</b>
Additional Rental Expenses Specific to Delphi Part 60694							
Equipment Rental	F			745,857	745,857	979,151	15.06%
Building Rent	F			1,003,840	1,003,840	656,455	10.10%
Total Additional Rental Expense Specific to Delphi Part 60694			-	1,749,697	1,749,697	1,635,606	25.16%
<b>Profit Before Other Income</b>			<b>1,844,167</b>	<b>(3,342,217)</b>	<b>(1,498,050)</b>	<b>505,286</b>	<b>7.78%</b>
Other Income							
Interest Income			-	-	-	25,727	0.40%
Other Income			-	-	-	11,909	0.18%
Total Other Income			-	-	-	37,636	0.58%
<b>Net Income/(Loss)</b>			<b>1,844,167</b>	<b>(3,342,217)</b>	<b>(1,498,050)</b>	<b>542,922</b>	<b>8.36%</b>
Less: Delphi Attributed Fixed Expenses							
Total Delphi Attributed Fixed Expenses for 5/3/99 - 1/14/00			619,684				
74.43% Fixed Expenses before Equipment & Building Rent for 5/3/99 - 1/14/00			419,798				
Total Delphi Attributed Fixed Expenses			1,039,482				
<b>Loss of Income</b>					<b>804,685</b>		

## Exhibit II-C

	Variable/ Fixed	Basis	Variable	Fixed (2 years)	Total	Historical - 1998 Amount	Ratio
<b>Sales</b>							
Tooling					-	-	0.00%
Division 2 Purchasing					-	-	0.00%
Miscellaneous					-	1,229	0.02%
Delphi			2,556,140		2,556,140	4,839,410	74.43%
Chrysler					-	47,171	0.73%
Johnson Controls					-	334,314	5.14%
GT Products					-	649,625	9.99%
Briskin Manufacturing					-	16,066	0.25%
GM SPO					-	368,201	5.66%
Powertrain					-	123,935	1.91%
Oxford Suspension					-	15,277	0.23%
Reacom					-	106,321	1.64%
<b>Total Sales</b>			<u>2,556,140</u>	<u>-</u>	<u>2,556,140</u>	<u>6,501,549</u>	<u>100.00%</u>
<b>Cost of Goods Sold</b>							
Tooling	V				-	-	0.00%
Division 2 Purchasing	V				-	-	0.00%
Research & Development	V	0.02% of Sales	511		511	1,000	0.02%
Delphi	V				-	2,249,565	34.60%
Chrysler	V				-	35,997	0.55%
Johnson Controls	V				-	275,360	4.24%
GT Products	V				-	395,616	6.08%
Briskin Manufacturing	V				-	9,431	0.15%
GM SPO	V				-	156,821	2.41%
Powertrain	V				-	59,852	0.92%
Oxford Suspension	V				-	9,408	0.14%
Reacom	V				-	66,444	1.02%
Freight & Delivery	V	0.67% of Sales	17,126		17,126	43,526	0.67%
Engineering	V		-		-	264	0.00%
Equipment Maintenance	V	1.17% of Sales	29,907		29,907	75,976	1.17%
Supplies - Shop	V	1.43% of Sales	36,553		36,553	92,974	1.43%
Supplies - Quality Control	V	0.21% of Sales	5,368		5,368	13,603	0.21%
Inventory Overhead Adjustment	V				-	(2,201,564)	-33.86%
<b>Total Cost of Goods Sold</b>			<u>89,465</u>	<u>-</u>	<u>89,465</u>	<u>1,284,273</u>	<u>19.75%</u>
<b>Gross Profit</b>			<b>2,466,675</b>	<b>-</b>	<b>2,466,675</b>	<b>5,217,276</b>	<b>80.25%</b>
<b>Operating Payroll &amp; Expenses</b>							
Salaries & Wages - Other	V	18.22% of Sales	465,729		465,729	1,184,530	18.22%
Salaries & Wages - Officer & Admin.	F		-	644,000	644,000	322,000	4.95%
Contract Labor	V	1.13% of Sales	28,884		28,884	73,643	1.13%
Payroll Taxes	V	8.65% of PR	40,286	55,706	95,992	130,307	2.00%
Payroll Expenses - Other	V	0.00% of Sales	-		-	57	0.00%
Health Insurance	V	8.48% of PR	39,494	54,611	94,105	127,681	1.96%
<b>Total Payroll &amp; Expenses</b>			<u>574,393</u>	<u>754,317</u>	<u>1,328,710</u>	<u>1,838,218</u>	<u>28.26%</u>
<b>Profit After Payroll &amp; Expenses</b>			<b>1,892,282</b>	<b>(754,317)</b>	<b>1,137,965</b>	<b>3,379,058</b>	<b>51.99%</b>
<b>Other Controllable Expenses</b>							
Advertising	V	0.00% of Sales			-	143	0.00%
Bank Service Charges	F			17,576	17,576	8,788	0.14%
Blueprints	V	0.04% of Sales	1,022		1,022	2,585	0.04%
Contributions	F			4,812	4,812	2,406	0.04%
Dues & Subscriptions	F			5,512	5,512	2,756	0.04%
Shop Maintenance	F			400	400	200	0.00%
Office Maintenance	F			6,742	6,742	3,371	0.05%
Machinery Movers & Riggers	V	2.14% of Sales	54,701		54,701	139,059	2.14%
Building Maintenance	F			58,308	58,308	29,154	0.45%

## Exhibit II-C

	Variable/ Fixed		Basis	Variable	Fixed (2 years)	Total	Historical - 1998	
							Amount	Ratio
Fees & Permits	V		0.01% of Sales	256		256	500	0.01%
Miscellaneous	V		0.19% of Sales	4,857		4,857	12,281	0.19%
Postage & Delivery	V		0.06% of Sales	1,534		1,534	3,625	0.06%
Supplies	V		1.06% of Sales	27,095		27,095	68,873	1.06%
Telephone	V		0.42% of Sales	10,736		10,736	27,120	0.42%
Pager Service	V		0.06% of Sales	1,534		1,534	3,948	0.06%
Meals & Entertainment	V		0.45% of Sales	11,503		11,503	29,333	0.45%
Travel	V		0.46% of Sales	11,758		11,758	30,014	0.46%
Uniforms	V		0.11% of Sales	2,812		2,812	7,036	0.11%
Gas & Electric	V		3.05% of Sales	77,962		77,962	198,150	3.05%
Water	V		0.01% of Sales	256		256	389	0.01%
Vehicle Expense	F				87,718	87,718	43,859	0.67%
Total Controllable Expenses				206,026	181,068	387,094	613,590	9.45%
<b>Profit After Controllable Expenses</b>				<b>1,686,256</b>	<b>(935,385)</b>	<b>750,871</b>	<b>2,765,468</b>	<b>42.54%</b>
Other Non-Controllable Expenses								
Depreciation - Office Equipment	F				28,722	28,722	14,361	0.22%
Depreciation - Leasehold Improvements	F				41,968	41,968	20,984	0.32%
Depreciation - Plant Equipment	F				281,008	281,008	140,504	2.16%
Depreciation - Vehicles	F				18,166	18,166	9,083	0.14%
Amortization Expense	F				9,206	9,206	4,603	0.07%
Interest Expense	V		3.20% of Sales	81,796		81,796	207,913	3.20%
General Insurance	F				30,392	30,392	15,196	0.23%
Workers' Compensation Insurance	V		1.26% of PR	5,868	8,114	13,982	19,030	0.29%
Umbrella Insurance	F				2,346	2,346	1,173	0.02%
Accounting	F				5,350	5,350	2,675	0.04%
Consulting	V		0.40% of Sales	10,226		10,226	25,894	0.40%
Legal Fees	F				32,134	32,134	16,067	0.25%
Taxes - Local	F				17,422	17,422	8,711	0.13%
Taxes - Property Taxes	F				182,306	182,306	91,153	1.40%
Single Business Tax	V		0.23% of Sales	5,879		5,879	14,832	0.23%
Uncollectible Accounts	V		0.43% of Sales	10,991		10,991	28,152	0.43%
Waste Collection	V		0.07% of Sales	1,789		1,789	4,245	0.07%
Total Non-/Controllable Expenses				116,549	657,135	773,684	624,576	9.60%
<b>Profit Before Equipment &amp; Building Rent</b>				<b>1,569,707</b>	<b>(1,592,520)</b>	<b>(22,813)</b>	<b>2,140,892</b>	<b>32.94%</b>
Additional Rental Expenses Specific to Delphi Part 60694								
Equipment Rental	F				745,857	745,857	979,151	15.06%
Building Rent	F				1,003,840	1,003,840	656,455	10.10%
Total Additional Rental Expense Specific to Delphi Part 60694				-	1,749,697	1,749,697	1,635,606	25.16%
<b>Profit Before Other Income</b>				<b>1,569,707</b>	<b>(3,342,217)</b>	<b>(1,772,510)</b>	<b>505,286</b>	<b>7.78%</b>
Other Income								
Interest Income				-	-	-	25,727	0.40%
Other Income				-	-	-	11,909	0.18%
Total Other Income				-	-	-	37,636	0.58%
<b>Net Income/(Loss)</b>				<b>1,569,707</b>	<b>(3,342,217)</b>	<b>(1,772,510)</b>	<b>542,922</b>	<b>8.36%</b>
Less: Delphi Attributed Fixed Expenses								
Total Delphi Attributed Fixed Expenses for 1/15/00 - 12/31/00				838,396				
74.43% Fixed Expenses before Equipment & Building Rent for 1/15/00 - 12/31/00				567,962				
Total Delphi Attributed Fixed Expenses				1,406,358				
<b>Loss of Income</b>				<b>163,349</b>				

**Nu-Tech Plastics Engineering, Inc.**  
**Loss of Income Analysis**

	<b>Exhibit I</b>	<b>Exhibit II-A</b>	<b>Exhibit II-B</b>	<b>Exhibit II-C</b>
	<b>1/1/99 - 12/31/00</b>	<b>1/1/99 - 5/2/99</b>	<b>5/3/99 1/14/00</b>	<b>1/15/00 - 12/31/00</b>
Revenue	\$ 7,581,635	\$ 2,022,423	\$ 3,003,072	\$ 2,556,140
Variable Costs	2,683,191	715,747	1,062,807	904,637
<b>Contribution Margin</b>	<b>4,898,444</b>	<b>1,306,676</b>	<b>1,940,265</b>	<b>1,651,503</b>
Contribution Margin %	64.6%	64.6%	64.6%	64.6%
Less: Delphi Attributed Fixed Costs	2,935,009	489,169	1,039,482	1,406,358
<b>Operating Income</b>	<b>1,963,435</b>	<b>817,507</b>	<b>900,783</b>	<b>245,145</b>
Interest Expense	242,612	64,718	96,098	81,796
<b>Profit Before Income Taxes</b>	<b>1,720,823</b>	<b>752,789</b>	<b>804,685</b>	<b>163,349</b>
Income Taxes	585,080	255,948	273,593	55,539
<b>Net Income</b>	<b>\$ 1,135,743</b>	<b>\$ 496,841</b>	<b>\$ 531,092</b>	<b>\$ 107,810</b>
Net Income/(Loss) %	15.0%	24.6%	17.7%	4.2%
EBITDA	2,245,577	864,531	1,000,708	380,338
EBITDA %	29.6%	42.7%	33.3%	14.9%

**Assumptions:**

- Revenue derived from GM payment data.
- All Exhibits exclude Division 2 and Tooling in determining cost ratios.
- Exhibit I reflects parts invoiced from 1/1/99 - 12/31/00 at \$1.86/part.
- Exhibit II-A reflects parts invoiced from 1/1/99 - 5/2/99 at \$1.86/part.
- Exhibit II-B reflects parts invoiced from 5/3/99 - 1/14/00 at \$1.86/part.
- Exhibit II-C reflects parts invoiced from 1/15/00 - 12/31/00 at \$1.86/part.

# EXHIBIT III

**Nu-Tech Plastics Engineering, Inc.**  
**Estimated Damages Based on Loss of Income Analysis**  
**1/1/99 - 12/31/99**

**Exhibit III**

Revenue	\$ 4,888,791
Variable Costs	1,730,177
<b>Contribution Margin</b>	<b>3,158,614</b>
Contribution Margin %	64.6%
Less: Delphi Attributed Fixed Costs	1,467,505
<b>Operating Income</b>	<b>1,691,109</b>
Income Taxes	574,977
<b>Cash Flow from Operations</b>	<b>1,116,132</b>
Plus: Depreciation & Amortization	141,071
Less: Capital Expenditures	-
Less: Working Capital Requirements	-
<b>Free Cash Flow</b>	<b>\$ 1,257,203</b>
Discount Rate (1)	25.6%
Net Present Value (NPV)	1,000,957
<b>Estimated Damages</b>	<b>\$ 1,000,957</b>

**Notes:**

- (1) Mr. Leeman's Estimated Lost Value of Business analysis uses a capitalization rate of 3.91X, implying a discount rate of approximately 25.6%.

**Exhibit III**

	Variable/ Fixed	Basis	Variable	Fixed (2 years)	Total	Historical - 1998 Amount	Ratio
<b>Sales</b>							
Tooling					-	-	0.00%
Division 2 Purchasing					-	-	0.00%
Miscellaneous					-	1,229	0.02%
Delphi			4,888,791		4,888,791	4,839,410	74.43%
Chrysler					-	47,171	0.73%
Johnson Controls					-	334,314	5.14%
GT Products					-	649,625	9.99%
Briskin Manufacturing					-	16,066	0.25%
GM SPO					-	368,201	5.66%
Powertrain					-	123,935	1.91%
Oxford Suspension					-	15,277	0.23%
Reacom					-	106,321	1.64%
<b>Total Sales</b>			<u>4,888,791</u>	<u>-</u>	<u>4,888,791</u>	<u>6,501,549</u>	<u>100.00%</u>
<b>Cost of Goods Sold</b>							
Tooling	V				-	-	0.00%
Division 2 Purchasing	V				-	-	0.00%
Research & Development	V	0.02% of Sales	978		978	1,000	0.02%
Delphi	V				-	2,249,565	34.60%
Chrysler	V				-	35,997	0.55%
Johnson Controls	V				-	275,360	4.24%
GT Products	V				-	395,616	6.08%
Briskin Manufacturing	V				-	9,431	0.15%
GM SPO	V				-	156,821	2.41%
Powertrain	V				-	59,852	0.92%
Oxford Suspension	V				-	9,408	0.14%
Reacom	V				-	66,444	1.02%
Freight & Delivery	V	0.67% of Sales	32,755		32,755	43,526	0.67%
Engineering	V		-		-	264	0.00%
Equipment Maintenance	V	1.17% of Sales	57,199		57,199	75,976	1.17%
Supplies - Shop	V	1.43% of Sales	69,910		69,910	92,974	1.43%
Supplies - Quality Control	V	0.21% of Sales	10,266		10,266	13,603	0.21%
Inventory Overhead Adjustment	V				-	(2,201,564)	-33.86%
<b>Total Cost of Goods Sold</b>			<u>171,108</u>	<u>-</u>	<u>171,108</u>	<u>1,284,273</u>	<u>19.75%</u>
<b>Gross Profit</b>			<b>4,717,683</b>	<b>-</b>	<b>4,717,683</b>	<b>5,217,276</b>	<b>80.25%</b>
<b>Operating Payroll &amp; Expenses</b>							
Salaries & Wages - Other	V	18.22% of Sales	890,738		890,738	1,184,530	18.22%
Salaries & Wages - Officer & Admin.	F		-	644,000	644,000	322,000	4.95%
Contract Labor	V	1.13% of Sales	55,243		55,243	73,643	1.13%
Payroll Taxes	V	8.65% of PR	77,049	55,706	132,755	130,307	2.00%
Payroll Expenses - Other	V	0.00% of Sales	-		-	57	0.00%
Health Insurance	V	8.48% of PR	75,535	54,611	130,146	127,681	1.96%
<b>Total Payroll &amp; Expenses</b>			<u>1,098,565</u>	<u>754,317</u>	<u>1,852,882</u>	<u>1,838,218</u>	<u>28.26%</u>
<b>Profit After Payroll &amp; Expenses</b>			<b>3,619,118</b>	<b>(754,317)</b>	<b>2,864,801</b>	<b>3,379,058</b>	<b>51.99%</b>
<b>Other Controllable Expenses</b>							
Advertising	V	0.00% of Sales			-	143	0.00%
Bank Service Charges	F			17,576	17,576	8,788	0.14%
Blueprints	V	0.04% of Sales	1,956		1,956	2,585	0.04%
Contributions	F			4,812	4,812	2,406	0.04%
Dues & Subscriptions	F			5,512	5,512	2,756	0.04%
Shop Maintenance	F			400	400	200	0.00%
Office Maintenance	F			6,742	6,742	3,371	0.05%
Machinery Movers & Riggers	V	2.14% of Sales	104,620		104,620	139,059	2.14%
Building Maintenance	F			58,308	58,308	29,154	0.45%

**Exhibit III**

	Variable/ Fixed	Basis	Variable	Fixed (2 years)	Total	Historical - 1998	
						Amount	Ratio
Fees & Permits	V	0.01% of Sales	489		489	500	0.01%
Miscellaneous	V	0.19% of Sales	9,289		9,289	12,281	0.19%
Postage & Delivery	V	0.06% of Sales	2,933		2,933	3,625	0.06%
Supplies	V	1.06% of Sales	51,821		51,821	68,873	1.06%
Telephone	V	0.42% of Sales	20,533		20,533	27,120	0.42%
Pager Service	V	0.06% of Sales	2,933		2,933	3,948	0.06%
Meals & Entertainment	V	0.45% of Sales	22,000		22,000	29,333	0.45%
Travel	V	0.46% of Sales	22,488		22,488	30,014	0.46%
Uniforms	V	0.11% of Sales	5,378		5,378	7,036	0.11%
Gas & Electric	V	3.05% of Sales	149,108		149,108	198,150	3.05%
Water	V	0.01% of Sales	489		489	389	0.01%
Vehicle Expense	F			87,718	87,718	43,859	0.67%
Total Controllable Expenses			394,037	181,068	575,105	613,590	9.45%
<b>Profit After Controllable Expenses</b>			<b>3,225,081</b>	<b>(935,385)</b>	<b>2,289,696</b>	<b>2,765,468</b>	<b>42.54%</b>
Other Non-Controllable Expenses							
Depreciation - Office Equipment	F			28,722	28,722	14,361	0.22%
Depreciation - Leasehold Improvements	F			41,968	41,968	20,984	0.32%
Depreciation - Plant Equipment	F			281,008	281,008	140,504	2.16%
Depreciation - Vehicles	F			18,166	18,166	9,083	0.14%
Amortization Expense	F			9,206	9,206	4,603	0.07%
Interest Expense	V	3.20% of Sales	156,441		156,441	207,913	3.20%
General Insurance	F			30,392	30,392	15,196	0.23%
Workers' Compensation Insurance	V	1.26% of PR	11,223	8,114	19,337	19,030	0.29%
Umbrella Insurance	F			2,346	2,346	1,173	0.02%
Accounting	F			5,350	5,350	2,675	0.04%
Consulting	V	0.40% of Sales	19,556		19,556	25,894	0.40%
Legal Fees	F			32,134	32,134	16,067	0.25%
Taxes - Local	F			17,422	17,422	8,711	0.13%
Taxes - Property Taxes	F			182,306	182,306	91,153	1.40%
Single Business Tax	V	0.23% of Sales	11,244		11,244	14,832	0.23%
Uncollectible Accounts	V	0.43% of Sales	21,022		21,022	28,152	0.43%
Waste Collection	V	0.07% of Sales	3,422		3,422	4,245	0.07%
Total Non-/Controllable Expenses			222,908	657,135	880,043	624,576	9.60%
<b>Profit Before Equipment &amp; Building Rent</b>			<b>3,002,173</b>	<b>(1,592,520)</b>	<b>1,409,653</b>	<b>2,140,892</b>	<b>32.94%</b>
Additional Rental Expenses Specific to Delphi Part 60694							
Equipment Rental	F			745,857	745,857	979,151	15.06%
Building Rent	F			1,003,840	1,003,840	656,455	10.10%
Total Additional Rental Expense Specific to Delphi Part 60694			-	1,749,697	1,749,697	1,635,606	25.16%
<b>Profit Before Other Income</b>			<b>3,002,173</b>	<b>(3,342,217)</b>	<b>(340,044)</b>	<b>505,286</b>	<b>7.78%</b>
Other Income							
Interest Income			-	-	-	25,727	0.40%
Other Income			-	-	-	11,909	0.18%
Total Other Income			-	-	-	37,636	0.58%
<b>Net Income/(Loss)</b>			<b>3,002,173</b>	<b>(3,342,217)</b>	<b>(340,044)</b>	<b>542,922</b>	<b>8.36%</b>
Less: Delphi Attributed Fixed Expenses							
Total Delphi Attributed Fixed Expenses			874,849				
74.43% Fixed Expenses before Equipment & Building Rent			592,656				
Total Delphi Attributed Fixed Expenses			1,467,505				
<b>Loss of Income</b>			<b>1,534,668</b>				



# EXHIBIT IV

Nu-Tech Plastics Engineering Inc.  
Summary of Real Property Leases

Property Address	Date of		Tenant	Initial Term	Renewal Options	Square Ft			Rate per Square Ft:			Annual Rent:			Monthly Pmt due 1st	Passthroughs:			Security Deposit
	Lease	Landlord				Office	Mfg	Total	Office	Mfg	Escalator	Office	Mfg	Total		R/E Tax	Insurance	CAM	
8018 Embury Road , Suite 2 Grand Blanc Township, MI	1/24/1996	John G. Cooper	Nu-Tech Plastics	5 yrs	2 @ 5 yrs	2,000	7,000	9,000	\$ 14	\$ 10	None	\$ 28,000	\$ 70,000	\$ 98,000	\$ 8,166.67	Tenant	Tenant	Tenant	\$ -
8024 Embury Road Grand Blanc Township, MI	3/26/1997	John G. Cooper	Nu-Tech Plastics	10 yrs	2 @ 10 yrs	-	15,875	15,875	\$ -	\$ 10	yr 3-10 = \$10 plus CPI, not less than \$10.30	\$ -	\$ 158,750	\$ 158,750	\$ 13,229.17	Tenant	Tenant	Tenant	\$ -
4068 Baldwin Road, Building A Holly MI	7/1/1997	Air Design, L.C.	Nu-Tech Plastics	3 yrs	TBD 90 days prior to expir	-	10,000 (estimate)	10,000	\$ -	\$ 15.25	None	\$ -	\$ 152,460	\$ 152,460	\$ 12,705.00	Tenant	Tenant	Tenant	\$ 5,000
4068 Baldwin Road, Building B Holly MI	1/1/1998	Air Design, L.C.	Nu-Tech Plastics	5 yrs	TBD 90 days prior to expir	-	10,000 (estimate)	10,000	\$ -	\$ 11.99	None	\$ -	\$ 119,920	\$ 119,920	\$ 9,993.33	Tenant	Tenant	Tenant	\$ 10,000
G - 6437 Lennon Road Swartz Creek MI	9/1/1998	John G. Cooper	Nu-Tech Plastics	7 yrs	1 @ 5 yrs	4,000 (2 floors)	34,000	38,000	not spec'd	not spec'd	None	not spec'd	not spec'd	\$ 382,000	\$ 31,833.33	Tenant	Tenant	Tenant	\$ 31,833
Total						6,000	76,875	82,875							\$ 911,130	\$ 75,927.50			\$ 46,833
Divided by total square ft														82,875					
Rate per total square foot														\$ 10.99					
Annual Rent if Base Rate =																Savings/Yr (assume same taxes, ins, CAM)			
\$ 2.00														\$ 165,750		\$ 745,380			
\$ 3.00														\$ 248,625		\$ 662,505			
Market Rate														\$ 4.00 \$ 331,500		\$ 579,630			
														\$ 5.00 \$ 414,375		\$ 496,755			

# EXHIBIT V

Lessor: ABX Leasing, LTD. - Owner - John G. Cooper  
 Lessee: Nu -Tech

Lease #	Lease Inception	Equip. Location	Equip Description	Cost	Taxes	Freight	Other Fees	Total Cost Per Lease	Cost to ABX	Interest and Profit	Per Lease Agmt Total Amount Financed	Term (# mos)	Mo Pymt	Due Date	Interest Rate
1	6/1/1996	Embury	Chilling System	\$ 65,706.88											
		Embury	Cinci 300 Ton	365,048.97											
		Embury	Cinci 165 Ton	285,681.40											
				716,437.25	34,184.64	4,300.00	-	754,921.89	572,294.00	322,415.31	1,077,337.20	60	17,955.62	1st	14.99%
2	11/15/1997	Embury	Cinci 250 Ton	177,106.00											
		Embury	2 PC's	5,600.00											
		Embury	Tilt table	1,894.00											
		Embury	Loader	2,835.00											
				187,435.00	11,246.10	2,459.00	5,000.00	206,140.10	187,435.00	62,382.10	268,522.20	60	4,475.37	15th	10.94%
3	11/15/1997	Embury	Cinci 550T Elektra	449,140.00											
		Embury	Tilt table	1,894.00											
		Embury	Accessories	4,790.00											
		Embury	Loader	2,835.00											
				458,659.00	-	2,459.00	11,228.50	472,346.50	449,140.00	405,396.50	877,743.00	60	14,629.05	15th	27.73%
4	11/15/1997	Embury	Battenfeld 500T	213,240.00											
		Embury	Cooling Tower	37,318.00											
				250,558.00	15,033.48	2,459.00	-	268,050.48	213,240.00	89,796.72	357,847.20	60	5,964.12	15th	12.01%
5	12/15/1997	Embury	Cinci 120T	96,365.00											
		Embury	Thermolator	4,370.00											
		Embury	Loader	2,835.00											
		Embury	Dryers (2)	11,470.00											
				115,040.00	6,902.40	2,459.00	-	124,401.40	102,570.00	41,674.40	166,075.80	60	2,767.93	15th	12.01%
6	12/15/1997	Embury	Cinci 300T	210,817.00											
		Embury	MFCH-100 TC	4,780.00											
		Embury	Loader	2,835.00											
		Embury	Tilt table	1,895.00											
		Embury	Dryer	5,735.00											
				226,062.00	13,563.72	2,459.00	-	242,084.72	246,601.00	81,098.68	323,183.40	60	5,386.39	15th	12.01%
7	12/15/1997	Embury	Cinci 550T Elektra	432,690.00											
		Embury	Tilt Table	1,894.00											
		Embury	MFCH-300	4,790.00											
		Embury	Loader	2,835.00											
				442,209.00	26,532.54	2,459.00	-	471,200.54	442,774.00	157,852.06	629,052.60	60	10,484.21	15th	12.01%
8	7/17/1998	Baldwin	Dryers (6)	57,945.00	3,476.70	2,955.00	-	64,376.70	60,374.14	44,862.90	109,239.60	60	1,820.66	1st	23.16%
9	7/15/1998	Baldwin	Cinci 85T Elektra	119,000.00											
		Baldwin	Dryers (5)	59,400.00											
		Baldwin	Temp Flow Cont (5)	10,925.00											
		Baldwin	CM-TT-1500 Mics(5)	5,013.00											
				194,338.00	11,660.28	2,500.00	-	208,498.28	79,900.00	280,499.32	488,997.60	60	8,149.96	15th	40.51%
10	7/15/1998	Baldwin	Cinci 85T Elektra	119,490.00	gone										
		Baldwin	Accessories	22,911.00	some gone										
				142,401.00	5,049.68	985.00	-	148,435.68	13,550.00	86,318.52	234,754.20	60	3,912.57	15th	19.76%
11	7/15/1998	Baldwin	Cinci 110T Elektra (3)	506,384.25											
		Baldwin	Cinci 300T Elektra	257,894.75											
				764,279.00	45,856.74	10,000.00	-	820,135.74	553,617.00	327,132.66	1,147,268.40	60	19,121.14	15th	14.09%
12	8/15/1998	Baldwin	Okuma CNC Lathe	79,900.00											
		Baldwin	Accessories	7,640.00											
				87,540.00	5,252.40	2,500.00	-	95,292.40	87,540.00	48,284.00	143,576.40	60	2,392.94	15th	17.48%
13	10/7/1998	Baldwin	Okuma CNC Lathe	79,900.00											
		Baldwin	Accessories	4,700.00											
				84,600.00	5,076.00	2,800.00	-	92,476.00	84,600.00	52,580.60	145,056.60	60	2,417.61	7th	19.37%
14	4/10/1998	Lennon	Cinci 1500T	700,000.00											
			Blender	7,800.00											
			Auger (2)	4,320.00											
			Floor Stand	375.00											
				712,495.00	4,331.97	9,500.00	-	726,326.97	709,500.00	237,536.43	963,863.40	60	16,064.39	10th	11.75%
15	9/2/1998	Embury	Swamp Cooler	27,301.00											
		Embury	Cooling Tower	10,017.00											
				37,318.00	2,239.08	3,800.75	-	43,357.83	37,318.00	21,854.37	65,212.20	60	1,086.87	2nd	17.40%
Total				\$4,477,316.25	\$ 190,405.73	\$ 54,094.75	\$16,228.50	\$ 4,738,045.23	\$3,840,453.14	\$ 2,259,684.57	\$ 6,997,729.80	60	\$116,628.83		16.56%

**NuTech Plastics Engineering, Inc.**  
**Summary of Personal Property Leases**

	As Is	Restated to 16.56%	Restated to 12%	Restated to 10%
Amount financed	\$ 4,738,045	\$ 4,738,045	\$ 4,738,045	\$ 4,738,045
Less 20% profit margin	0	789,674	789,674	789,674
Less sales tax	0	190,406	190,406	190,406
Amount financed	4,738,045	3,757,965	3,757,965	3,757,965
Term in months	60	60	60	60
Interest rate	16.56%	16.56%	12.00%	10.00%
Monthly payment	116,629	92,504	83,594	79,846
Monthly savings	N/A	24,125	33,035	36,783
Annual savings	N/A	289,501	396,420	441,398